



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 502**

---

**Hearing Date:** February 28, 2007  
**Committee On:** Revenue

**Introducer(s):** (Mines)  
**Title:** Change inheritance tax rates

---

**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
- 

**Vote Results:**

7	Yes	Senators Burling, Cornett, Dierks, Langemeier, Preister, Raikes and White
0	No	
0	Present, not voting	
1	Absent	Senator Janssen

---

**Proponents:**  
Senator Mick Mines  
Jerry Stilmock

**Representing:**  
Introducer  
National Federation of Independent Business

**Opponents:**  
Dean T. Lux  
Jerry McCallum

**Representing:**  
Dodge County Board of Supervisors  
Madison County Commissioners, NACO

**Neutral:**  
None

**Representing:**

---

**Summary of purpose and/or changes:**

LB 502 would amend three sections of the county inheritance tax to increase the exemption amounts for all three classes of beneficiaries. First, section 77-2004 would be amended to increase the exemption amount for close relatives (siblings and lineal relatives) from \$10,000 per beneficiary to \$100,000. The tax rate on close relatives would remain one percent.

For more distant relatives, the exemption amount would be increased from \$2,000 to \$25,000 (section 77-2005). LB 502 would also provide that all inheritances over \$25,000 be taxed at ten percent. Currently there are two brackets; inherited property with a value from \$2,000 - \$60,000 are taxed at six percent, and inheritances greater than \$60,000 are taxed at nine percent.

---

For non-relatives (section 77-2006), there is currently an exemption for inheritances with a value of \$500 or less. LB 502 would increase the exemption amount to \$25,000 and provide that inheritances in excess of \$25,000 be taxed at eighteen percent. Currently, there are five tax brackets as shown below:

<u>Bracket</u>	<u>Rate</u>
\$0 - \$5,000	6%
\$5,000 - \$10,000	9%
\$10,000 - \$20,000	12%
\$20,000 - \$50,000	15%
Over \$50,000	18%

Section 4 would amend section 77-2040 to provide that these changes would be operative for property passing from decedents dying on or after January 1, 2007.

**Explanation of amendments, if any:**

The Committee amendments reduce the proposed increase in the exemption amount for siblings and lineal descendants from \$100,000 to \$50,000.

---

**Senator Ray Janssen, Chairperson**